



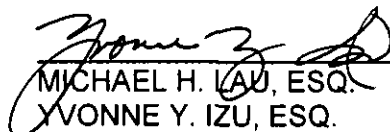
BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application	)	
	)	
of	)	
	)	Docket No. 2009-0048
MOLOKAI PUBLIC UTILITIES, INC.	)	
	)	
For review and approval of rate	)	
increases; revised rate schedules; and	)	
revised rules.	)	
_____	)	

**MOLOKAI PUBLIC UTILITIES, INC.'S  
RESPONSES TO COUNTY OF MAUI'S SUPPLEMENTAL  
INFORMATION REQUESTS TO MOLOKAI PUBLIC UTILITIES, INC.**

COMES NOW, MOLOKAI PUBLIC UTILITIES, INC. ("MPU"), by and through its attorneys, Morihara Lau & Fong LLP, hereby submits its Responses to the County of Maui's Supplemental Information Requests consistent with the Stipulated Regulatory Schedule (Exhibit "A") contained in the Stipulated Prehearing Order, filed on November 6, 2009.

DATED: Honolulu, Hawaii, December 21, 2009.

  
\_\_\_\_\_  
MICHAEL H. LAU, ESQ.  
YVONNE Y. IZU, ESQ.

Morihara Lau & Fong LLP  
Attorneys for MOLOKAI PUBLIC UTILITIES, INC.

**MOLOKAI PUBLIC UTILITIES, INC.'S RESPONSES TO  
COUNTY OF MAUI'S SUPPLEMENTAL INFORMATION REQUESTS TO  
MOLOKAI PUBLIC UTILITIES, INC.**

**DOCKET NO. 2009-0048**

**County-SIR-21:** Please describe in detail and provide documents and information concerning the accounts payable amount of \$49,266 listed on MPU's Balance Sheet dated December 31, 2008 (contained in the Audited Financial Statements for December 31, 2008).

**RESPONSE:** See Attachment County-SIR-21.

**SPONSOR:** Robert O'Brien

**ATTACHMENT**  
**County-SIR-21**

[ 1 ] [ 2 ] [ 3 ]

Line #	Description			
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**Recorded on December 31, 2008 Financials**

1	BEI Hawaii	791.66	
2	Fed Ex	44.79	
3	Hawaiian Telecom	36.27	
4	Hawaii Medical Service Assn	(1,553.80)	
5	Maui Electric	2,691.65	
6	JWH Laboratories	260.00	
7	O'Brien Innovative Regulator Solutions	5,208.00	
8	Public Utilities Commission	1,818.64	
9	Young Brothers	106.74	
10	Sub-Total		9,403.95

**Company Accruals at December 31, 2008**

11	PUC Fee Accrual	25,125.44
12	Mofihara< Lau, Fong Accrual	2,334.23
13	Total Recorded	36,863.62

**KPMG Audit Adjustments**

14	Maui Electric December Invoice	8,293.00
15	Maui Electric January Invoice (Dec Usage)	1,889.46
16	Other	178.00
17	Sub-Total	10,360.46
18	Total Accounts Payable	47,224.08
19	Other Liabilities	
20	Accrued Vacation at 12-31-08	2,041.00
21	Rounding	1.00
22	Total Accounts Payable on Audit Report	<u>\$49,266.08</u>

**MOLOKAI PUBLIC UTILITIES, INC.'S RESPONSES TO  
COUNTY OF MAUI'S SUPPLEMENTAL INFORMATION REQUESTS TO  
MOLOKAI PUBLIC UTILITIES, INC.**

**DOCKET NO. 2009-0048**

**County-SIR-22:** Please describe in detail and provide documents and information explaining the amount owing of \$3,645,969 to MPU's parent company, Molokai Properties, Ltd. ("MPL") and affiliates as reflected on MPU's Balance Sheet dated December 31, 2008 (contained in the Audited Financial Statements for December 31, 2008).

**RESPONSE:** The balance of \$3,645,969 owing to MPU's parent and affiliates at 12-31-08 reflects the net amounts owing for services provided or received by MPU from the affiliates or funding provided by MPL for the daily, monthly and annual expenses or capital requirements.

This net intercompany account amount includes:

- \$3,640,378 Due To MPL
- 0 Due To MOSCO
- 6,590 Due To WOM
- \$3,646,968 Due To Affiliates at 12-31-08
- (1,000) Transfer to Common Stock
- \$3,645,968 Due To Affiliates Per Audit Report

Attachment County-SIR-22 shows the intercompany transactions for the six-months ended December 31, 2008 and the balance due at December 31, 2008.

**SPONSOR:** Robert O'Brien

**ATTACHMENT**  
**County-SIR-22**

			Distribution Reference	Debit	Credit	Net Dr (Cr)
1	Beginning Balance at 6-30-08:	MPU				(\$3,392,195.39)
2		MOSCO				-
3		WOM				-
4			Total			<u>(\$3,392,195.39)</u>
5						
6	07/29/08	155 GLTRX00002126	RCD PR FR MPL LIVSTK ADM 07/08		\$1,358.64	(\$1,358.64)
7	07/29/08	2,462 GLTRX00002127	Recd P/R frn Waiola 07/08		\$3,495.28	(\$3,495.28)
8	07/30/08	173 GLTRX00002124	Rec admin fees from MRL 07/08		\$250.00	(\$250.00)
9	07/30/08	1,076 GLTRX00002138	Rec Insurance/refund alloc		\$675.00	(\$675.00)
10	07/30/08	1,077 GLTRX00002138	Rec 609 allocation worker comp		\$224.91	(\$224.91)
11	07/30/08	1,079 GLTRX00002136	Rec Gas allocation		\$297.16	(\$297.16)
12	07/30/08	1,088 GLTRX00002137	Rec alloc for vehicle depm		\$306.55	(\$306.55)
13	07/30/08	1,089 GLTRX00002139	Reclass dept 609 med expense		\$1,071.87	(\$1,071.87)
14	07/30/08	1,093 GLTRX00002136	Rec 609 alloc-outside svc		\$220.50	(\$220.50)
15	07/30/08	1,113 GLTRX00002136	Rec cell phone alloc		\$76.25	(\$76.25)
16	07/30/08	2,004 GLTRX00002130	Rec 610 water treatmt>MPU07/08		\$14,810.00	(\$14,810.00)
17	07/30/08	3,100 GLTRX00002135	Rec wire transfer fr MPL 7/08		\$35,063.39	(\$35,063.39)
18	07/30/08	3,219 GLTRX00002129	Charge nominal rent 07/08		\$351.00	(\$351.00)
19	07/31/08	597 GLTRX00002133	Duro Power R&M fuel line 7/08		\$82.93	(\$82.93)
20	07/31/08	2,699 GLTRX00002131	Record Postage 7/08		\$164.05	(\$164.05)
21	08/29/08	2,462 GLTRX00002143	Recd P/R from Waiola 08/08		\$5,343.90	(\$5,343.90)
22	08/30/08	173 GLTRX00002154	Rec admin fees from MRL 08/08		\$250.00	(\$250.00)
23	08/30/08	1,076 GLTRX00002159	Rec Insurance/refund alloc		\$675.00	(\$675.00)
24	08/30/08	1,077 GLTRX00002159	Rec 609 allocation worker comp		\$224.91	(\$224.91)
25	08/30/08	1,079 GLTRX00002157	Rec Gas allocation		\$792.60	(\$792.60)
26	08/30/08	1,088 GLTRX00002158	Rec alloc for vehicle depm		\$306.56	(\$306.56)
27	08/30/08	1,089 GLTRX00002160	Reclass dept 609 med expense		\$1,446.50	(\$1,446.50)
28	08/30/08	1,113 GLTRX00002157	Rec cell phone alloc		\$56.61	(\$56.61)
29	08/30/08	2,004 GLTRX00002153	Rec 610 water treatmt>MPU08/08		\$16,767.00	(\$16,767.00)
30	08/30/08	3,219 GLTRX00002144	Charge nominal rent 08/08		\$351.00	(\$351.00)
31	08/31/08	25 GLTRX00002151	Rec KWater 5/08 correction		\$65.58	(\$65.58)
32	08/31/08	597 GLTRX00002156	Pex Supply R&M 8/08		\$251.61	(\$251.61)
33	08/31/08	1,083 GLTRX00002157	Rec Materials & supplies alloc		\$0.98	(\$0.98)
34	08/31/08	1,085 GLTRX00002157	Rec vehicle registration		\$37.69	(\$37.69)
35	08/31/08	1,090 GLTRX00002160	Rec 609 water alloc TDI		\$106.83	(\$106.83)
36	08/31/08	1,091 GLTRX00002160	Rec 609 water alloc Group Life		\$24.73	(\$24.73)
37	08/31/08	2,615 GLTRX00002162	JulAug08 Water Rent adj	\$702.00		\$702.00
38	08/31/08	2,615 GLTRX00002162	JulAug08 Water Rent adj		\$860.00	(\$860.00)
39	08/31/08	3,244 GLTRX00002152	Rec Water postage for Jan-July		\$404.60	(\$404.60)
40	08/31/08	3,250 GLTRX00002164	Rec MecO Puunana Pole 11A 7/08		\$4,594.08	(\$4,594.08)
41	08/31/08	3,251 GLTRX00002164	Rec MECO Puunana Pole 11A 8/08		\$5,037.35	(\$5,037.35)
42	09/29/08	3,271 GLTRX00002176	To rec Legal Exp - Lyons 09/08		\$12,719.77	(\$12,719.77)
43	09/29/08	3,272 GLTRX00002175	To rec Akaula Tuition - Rex		\$666.67	(\$666.67)
44	09/29/08	3,273 GLTRX00002177	To rec Morihara Legal exp		\$456.51	(\$456.51)
45	09/30/08	173 GLTRX00002179	Rec admin fees from MRL 09/08		\$250.00	(\$250.00)
46	09/30/08	597 GLTRX00002178	Pex Supply R&M 8/08		\$1,620.50	(\$1,620.50)
47	09/30/08	1,075 GLTRX00002181	Allocate 609 postage		\$16.24	(\$16.24)
48	09/30/08	1,076 GLTRX00002169	Rec Insurance/refund alloc		\$176.85	(\$176.85)
49	09/30/08	1,077 GLTRX00002169	Rec 609 allocation worker comp		\$224.91	(\$224.91)
50	09/30/08	1,078 GLTRX00002181	Rec R&M allocation		\$52.20	(\$52.20)
51	09/30/08	1,079 GLTRX00002181	Rec Gas allocation		\$820.58	(\$820.58)
52	09/30/08	1,087 GLTRX00002181	Rec Hawn Telcom 5676084		\$9.30	(\$9.30)
53	09/30/08	1,088 GLTRX00002182	Rec alloc for vehicle depm		\$306.56	(\$306.56)
54	09/30/08	1,089 GLTRX00002183	Reclass dept 609 med expense		\$946.29	(\$946.29)
55	09/30/08	1,090 GLTRX00002183	Rec 609 water alloc TDI		\$24.61	(\$24.61)
56	09/30/08	1,091 GLTRX00002183	Rec 609 water alloc Group Life		\$11.39	(\$11.39)
57	09/30/08	1,113 GLTRX00002181	Rec cell phone alloc		\$75.09	(\$75.09)
58	09/30/08	2,004 GLTRX00002186	Rec 610 water treatmt>MPU09/08		\$18,398.00	(\$18,398.00)
59	09/30/08	2,462 GLTRX00002170	Recd P/R from Waiola 09/08		\$5,004.04	(\$5,004.04)
60	09/30/08	3,100 GLTRX00002180	Rec wire transfer fr MPL 9/08		\$18,271.70	(\$18,271.70)
61	09/30/08	3,219 GLTRX00002171	Charge water assets rent 09/08		\$430.00	(\$430.00)
62	09/30/08	3,274 GLTRX00002187	Rec MECO Puunana Pole 11A		\$5,656.12	(\$5,656.12)
63	09/30/08	3,275 GLTRX00002188	Correct 610 to MPU 9/08	\$18,398.00		\$18,398.00
64	09/30/08	3,275 GLTRX00002188	Correct 610 to MPU 9/08		\$34,957.00	(\$34,957.00)
65	09/30/08	3,276 GLTRX00002189	Rec 9/08 610 to MPU revised	\$34,957.00		\$34,957.00
66	09/30/08	3,276 GLTRX00002189	Rec 9/08 610 to MPU revised		\$26,134.00	(\$26,134.00)
67	10/02/08	3,244 GLTRX00002201	Rec Water postage for August		\$242.68	(\$242.68)
68	10/30/08	18 GLTRX00002205	Rec WATER billings 10/08	\$37.50		\$37.50
69	10/30/08	173 GLTRX00002204	Rec admin fees from MRL 10/08		\$250.00	(\$250.00)
70	10/30/08	1,076 GLTRX00002209	Rec Insurance/refund alloc		\$176.85	(\$176.85)
71	10/30/08	1,077 GLTRX00002209	Rec 609 allocation worker comp		\$224.91	(\$224.91)
72	10/30/08	1,085 GLTRX00002215	Rec vehicle registration		\$141.52	(\$141.52)
73	10/30/08	1,088 GLTRX00002208	Rec alloc for vehicle depm		\$306.55	(\$306.55)
74	10/30/08	1,089 GLTRX00002211	Reclass dept 609 med expense		\$946.29	(\$946.29)
75	10/30/08	1,090 GLTRX00002211	Rec 609 water alloc TDI		\$108.38	(\$108.38)
76	10/30/08	1,091 GLTRX00002211	Rec 609 water alloc Group Life		\$11.39	(\$11.39)
77	10/30/08	1,113 GLTRX00002215	Rec cell phone alloc		\$75.15	(\$75.15)
78	10/30/08	2,004 GLTRX00002203	Rec 610 water treatmt>MPU10/08		\$28,747.00	(\$28,747.00)
79	10/30/08	2,462 GLTRX00002199	Recd P/R from Waiola 10/08		\$4,895.00	(\$4,895.00)



			Distribution Reference	Debit	Credit	Net Dr (Cr)
80	10/30/08	3,184	GLTRX00002206		\$37.50	(\$37.50)
81	10/30/08	3,219	GLTRX00002200		\$430.00	(\$430.00)
82	10/30/08	3,310	GLTRX00002210		\$110.71	(\$110.71)
83	11/30/08	173	GLTRX00002231		\$250.00	(\$250.00)
84	11/30/08	1,076	GLTRX00002247		\$176.85	(\$176.85)
85	11/30/08	1,077	GLTRX00002247		\$224.91	(\$224.91)
86	11/30/08	1,079	GLTRX00002245		\$747.93	(\$747.93)
87	11/30/08	1,087	GLTRX00002245		\$34.32	(\$34.32)
88	11/30/08	1,088	GLTRX00002246		\$407.71	(\$407.71)
89	11/30/08	1,089	GLTRX00002248		\$596.01	(\$596.01)
90	11/30/08	1,113	GLTRX00002245		\$77.32	(\$77.32)
91	11/30/08	2,004	GLTRX00002229		\$22,099.00	(\$22,099.00)
92	11/30/08	2,462	GLTRX00002227		\$4,416.15	(\$4,416.15)
93	11/30/08	3,100	GLTRX00002234		\$6,080.25	(\$6,080.25)
94	11/30/08	3,219	GLTRX00002235		\$430.00	(\$430.00)
95	11/30/08	3,244	GLTRX00002228		\$160.86	(\$160.86)
96	11/30/08	3,310	GLTRX00002240		\$57.98	(\$57.98)
97	11/30/08	3,353	GLTRX00002233		\$1,294.99	(\$1,294.99)
98	12/30/08	173	GLTRX00002257		\$250.00	(\$250.00)
99	12/30/08	1,076	GLTRX00002256		\$372.00	(\$372.00)
100	12/30/08	1,077	GLTRX00002256		\$872.00	(\$872.00)
101	12/30/08	1,079	GLTRX00002267		\$1,090.16	(\$1,090.16)
102	12/30/08	1,088	GLTRX00002268		\$517.15	(\$517.15)
103	12/30/08	1,089	GLTRX00002270		\$1,397.40	(\$1,397.40)
104	12/30/08	1,090	GLTRX00002270		\$80.22	(\$80.22)
105	12/30/08	1,091	GLTRX00002270		\$37.12	(\$37.12)
106	12/30/08	3,219	GLTRX00002263		\$430.00	(\$430.00)
107	12/30/08	3,244	GLTRX00002259		\$131.89	(\$131.89)
108	12/30/08	3,310	GLTRX00002260		\$68.18	(\$68.18)
109						
110			Sub Total	\$54,094.50	\$302,277.72	(\$248,183.22)
111						
112	Net Change	Ending Balance				
113	Totals:	(\$222,354.35) (\$3,614,549.74) #####	\$377,650.09	Account:	000-123-30	
114	Account:	000-125-00	Description:	Due to/from	Beginning Balance:	\$0.00
115						
116						
117	08/31/08	25	GLTRX00002151		\$65.58	(\$65.58)
118	MC	08/31/08	25	GLTRX00002151	\$65.58	\$65.58
119						
120			Sub Total	\$65.58	\$65.58	\$0.00
121						
122						
123	WJ Trx Date	Jrnl No.	Orig. Audit Trail Orig. Master	Distribution Reference	Debit	Credit
124	07/29/08	2,462	GLTRX00002127	Recd P/R frm Waiola 07/08		\$3,495.28
125	07/29/08	2,462	GLTRX00002127	Recd P/R frm Waiola 07/08	\$3,495.28	
126	08/29/08	2,462	GLTRX00002143	Recd P/R from Waiola 08/08		\$5,343.90
127	08/29/08	2,462	GLTRX00002143	Recd P/R from Waiola 08/08	\$5,343.90	
128	09/30/08	2,462	GLTRX00002170	Recd P/R from Waiola 09/08		\$5,004.04
129	09/30/08	2,462	GLTRX00002170	Recd P/R from Waiola 09/08	\$5,004.04	
130	10/30/08	2,462	GLTRX00002199	Recd P/R from Waiola 10/08		\$4,895.00
131	10/30/08	2,462	GLTRX00002199	Recd P/R from Waiola 10/08	\$4,895.00	
132	11/30/08	2,462	GLTRX00002227	Recd P/R from Waiola 11/08		\$4,416.15
133	11/30/08	2,462	GLTRX00002227	Recd P/R from Waiola 11/08	\$4,416.15	
134	12/30/08	2,462	GLTRX00002261	Recd P/R from Waiola 12/08		\$11,446.81
135	12/31/08	3,413	GLTRX00002266	Rec Puunana 8" water to Wai	\$3,920.00	
136	12/31/08	3,414	GLTRX00002266	Rec Manawainui-Idus Pk to Wai	\$937.00	
137						
138			Sub Total	\$28,011.37	\$34,601.18	(\$6,589.81)
139						
140						
141			Total Intercompany Payable at 12-31-08			(\$3,646,968.42)
142						
143						
144			Intercompany MPU due (To) From			
145			MPL			(\$3,640,378.61)
146			MOSCO			\$0.00
147			WOM			(\$6,589.81)
148						
149						
150			Total			(\$3,646,968.42)
151						
152						

**MOLOKAI PUBLIC UTILITIES, INC.'S RESPONSES TO  
COUNTY OF MAUI'S SUPPLEMENTAL INFORMATION REQUESTS TO  
MOLOKAI PUBLIC UTILITIES, INC.**

**DOCKET NO. 2009-0048**

**County-SIR-23:** Please explain why MPL charged MPU \$214,640 for water as set forth on MPU's Balance Sheet dated December 31, 2008 (contained in the Audited Financial Statements for December 31, 2008).

**RESPONSE:** The \$214,640 is not set forth on MPU's Balance Sheet dated December 31, 2008. There is an amount of \$214,640 reflected on MPU's Income Statement for the Year Ended December 31, 2008. The \$214,640 for Cost of Sales reflects charges by MPL to MPU for the five months ended November 30, 2008 for water treatment and other services charged under the accounting procedures described in response to CA-IR-44. As discussed in that response, those procedures were stopped in December 2008, are no longer in effect and are not used to determine expenses in the Test Year.

**SPONSOR:** Robert O'Brien

**MOLOKAI PUBLIC UTILITIES, INC.'S RESPONSES TO  
COUNTY OF MAUI'S SUPPLEMENTAL INFORMATION REQUESTS TO  
MOLOKAI PUBLIC UTILITIES, INC.**

**DOCKET NO. 2009-0048**

**County-SIR-24:** Please explain how expenses relating to salaries and wages were allocated from MPL as noted in the Audited Financial Statements for December 31, 2008.

**RESPONSE:** These expenses were included in the Cost of Sales charges from MPL to MPU as described in response to County-SIR-23 and CA-IR-44. These procedures are no longer in effect and were not used to determine Test Year expenses for MPU.

**SPONSOR:** Robert O'Brien

**MOLOKAI PUBLIC UTILITIES, INC.'S RESPONSES TO  
COUNTY OF MAUI'S SUPPLEMENTAL INFORMATION REQUESTS TO  
MOLOKAI PUBLIC UTILITIES, INC.**

**DOCKET NO. 2009-0048**

**County-SIR-25:** Please identify all MPU employees and whether these employees are also employed by MPL and affiliated companies, including but not limited to, Wai'ola O Moloka'i, Inc. and Mosco, Inc.

**RESPONSE:** Employees who perform work for MPU and the percent of time spent on MPU activities and included in the Test Year expenses are shown on Workpaper MPU 10.1. These employees are employed by various MPU affiliates and charged to MPU and affiliates based on time reports filed by the employees. The percentages used to distribute the employees' time is shown on Workpaper MPU 10.1.

**SPONSOR:** Robert O'Brien

**MOLOKAI PUBLIC UTILITIES, INC.'S RESPONSES TO  
COUNTY OF MAUI'S SUPPLEMENTAL INFORMATION REQUESTS TO  
MOLOKAI PUBLIC UTILITIES, INC.**

**DOCKET NO. 2009-0048**

**County-SIR-26:** Please identify and explain the allocated expenses from MPL which are noted on note 5 as "Other" expenses of \$25,266 in the Audited Financial Statements for December 31, 2008.

**RESPONSE:** See response to WMA-504.

**SPONSOR:** Robert O'Brien

**MOLOKAI PUBLIC UTILITIES, INC.'S RESPONSES TO  
COUNTY OF MAUI'S SUPPLEMENTAL INFORMATION REQUESTS TO  
MOLOKAI PUBLIC UTILITIES, INC.**

**DOCKET NO. 2009-0048**

**County-SIR-27:** Please identify and explain the professional fees of \$50,141 which are reflected on MPU's Statement of Operations for the year ending December 31, 2008 (contained in the Audited Financial Statements for December 31, 2008).

**RESPONSE:** The professional fees of \$50,141 is comprised of

- |                      |               |
|----------------------|---------------|
| • Legal fees         | \$29,999      |
| • Regulatory Support | <u>20,142</u> |
| ○ Total              | \$50,141      |

Of the total amount shown as expense for the 12 months ended December 31, 2008, \$12,351 in legal fees and \$20,142 in Regulatory support expenses will be reclassified to a deferred debit account to reflect amounts charged for work on the current rate case, Docket No. 2009-0048.

**SPONSOR:** Robert O'Brien

**MOLOKAI PUBLIC UTILITIES, INC.'S RESPONSES TO  
COUNTY OF MAUI'S SUPPLEMENTAL INFORMATION REQUESTS TO  
MOLOKAI PUBLIC UTILITIES, INC.**

**DOCKET NO. 2009-0048**

**County-SIR-28:** Please explain whether any affiliated companies, including but not limited to, MPL and Kaluakoi Water, LLC, have noted or claimed any depreciated costs on their financial statements or income tax returns for MPU's property, plant, and equipment which, according to MPU's Audited Financial Statements, includes land, treatment plant, reservoir, pipes, water meters, and other.

**RESPONSE:** See responses to CA-IR-28, CA-IR-68 and CA-SIR-3.

**SPONSOR:** Robert O'Brien

**MOLOKAI PUBLIC UTILITIES, INC.'S RESPONSES TO  
COUNTY OF MAUI'S SUPPLEMENTAL INFORMATION REQUESTS TO  
MOLOKAI PUBLIC UTILITIES, INC.**

**DOCKET NO. 2009-0048**

**County-SIR-29:** Please identify and explain the depreciated cost of "Other" of \$64,430 as noted on note 3 of MPU's Audited Financial Statements.

**RESPONSE:** The amount of "Other" of \$64,430 included in note 3 of the Audited Financial Statements reflects the cost of assets, not the depreciated cost. The assets included as "Other" include:

• Electric Trimmer	\$ 1,210
• Sqz Tool ½' x 2' Reed	603
• Dechlorination Bazooka	1,434
• Replacement Pump	14,100
• Turbine Pump	46,875
• Other (Unidentified)	<u>208</u>
• <u>TOTAL</u>	<u>\$64,430</u>

**SPONSOR:** Robert O'Brien



**MOLOKAI PUBLIC UTILITIES, INC.'S RESPONSES TO  
COUNTY OF MAUI'S SUPPLEMENTAL INFORMATION REQUESTS TO  
MOLOKAI PUBLIC UTILITIES, INC.**

**DOCKET NO. 2009-0048**

**County-SIR-30:** Please explain the expenses of \$35,129 identified as "Other" on  
MPU's Statement of Operations as reflected in MPU's Audited  
Financial Statements for the year ending December 31, 2008.

**RESPONSE:** See Attachment County-SIR 30.

**SPONSOR:** Robert O'Brien

**ATTACHMENT**  
**County-SIR-30**

		[ 1 ]	[ 2 ]	[ 3 ]
Line #	Description			
<b><u>Recorded on December 31, 2008 Financials</u></b>				
1	Auto & Equipment		2,289.63	
2	Equipment Rental		4,686.00	
3	RPT		459.90	
4	License & Fees		179.21	
5	Freight		1,278.92	
6	Insurance		6,245.83	
7	Materials & Supplies		4,657.05	
8	Office Expense		8,819.64	
9	Repairs & Maintenance		27,156.12	
10	Training & Educaton		157.00	
11	Sub-Total			55,929.30
<b><u>KPMG Audit Adjustments</u></b>				
12	<u>Intercompany adjustments</u>			
13	Auto & Equipment		(927.35)	
14	Equipment Rental		(4,688.00)	
15	Administrative & Office		(6,300.00)	
16	Cell Phone		(701.67)	
17	Postage & Delivery		(1,203.44)	
18	Ihsurance		(6,245.85)	
19	Other		(735.69)	
20	Sub-Total			(20,802.00)
21	Total Other Expense			<u>\$ 35,127.30</u>

**MOLOKAI PUBLIC UTILITIES, INC.'S RESPONSES TO  
COUNTY OF MAUI'S SUPPLEMENTAL INFORMATION REQUESTS TO  
MOLOKAI PUBLIC UTILITIES, INC.**

**DOCKET NO. 2009-0048**

**County-SIR-31:** Please identify and explain the \$609,979 reflected as owing to MPL and affiliates noted on MPU's Statement of Cash Flows as reflected in MPU's Audited Financial Statements for the year ending December 31, 2008.

**RESPONSE:** The \$609,979 represents a source of funds for MPU. This amount is the difference between the amount owed to affiliates as at December 31, 2007 and the amount owed as at December 31, 2008.

**SPONSOR:** Robert O'Brien

**MOLOKAI PUBLIC UTILITIES, INC.'S RESPONSES TO  
COUNTY OF MAUI'S SUPPLEMENTAL INFORMATION REQUESTS TO  
MOLOKAI PUBLIC UTILITIES, INC.**

**DOCKET NO. 2009-0048**

**County-SIR-32:** Please explain why MPU paid rent of \$130,177 for use of the Molokai Irrigation System ("MIS") when Kaluakoi Water, LLC is the entity responsible for paying rent to the State Department of Agriculture for use of the MIS to transport water from Well 17.

**RESPONSE:** Kaluakoi Water, LLC is a holding company and MPU is the operating company. Since MPU is the utility entity responsible for providing utility service to customers in its service territory, it incurs the operating expenses which would incur the operating and electricity costs for Well 17 and the transportation of that water including the use of MIS.

**SPONSOR:** Robert O'Brien

**MOLOKAI PUBLIC UTILITIES, INC.'S RESPONSES TO  
COUNTY OF MAUI'S SUPPLEMENTAL INFORMATION REQUESTS TO  
MOLOKAI PUBLIC UTILITIES, INC.**

**DOCKET NO. 2009-0048**

**County-SIR-33:** Please explain the reason for the decrease in the number of customers for Usage Billing from 06/30/07 to 06/30/09. For example, the Attachment to CA-IR-82c reflects the number of customers for Usage Billing for 5/8" meter (200) was 2,138 as of 06/30/07, 2,262 as of 06/30/08, and then was substantially reduced to 590 as of 06/30/09. Another example of the decrease is illustrated by 3.0" meter (205) which reflects the number of customers for Usage Billing as 36 as of 06/30/07, 36 as of 06/30/08, and then was substantially reduced to 9 as of 06/30/09.

**RESPONSE:** See response to CA-SIR-1.

**SPONSOR:** Robert O'Brien

CERTIFICATE OF SERVICE

I (we) hereby certify that copies of the foregoing document were duly served on the following parties, by having said copies delivered as set forth below:

MR. DEAN NISHINA Executive Director Department of Commerce and Consumer Affairs Division of Consumer Advocacy 335 Merchant Street, Suite 326 Honolulu, Hawaii 96813	3 copies Hand Deliver
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MARGERY S. BRONSTER, ESQ. JEANNETTE H. CASTAGNETTI, ESQ. Bronster Hoshibata 2300 Pauahi Tower 1003 Bishop Street Honolulu, HI 96813	1 copy Hand Deliver
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Attorneys for the COUNTY OF MAUI

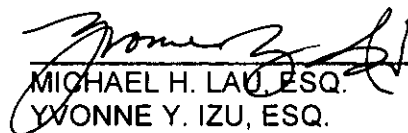
WILLIAM W. MILKS, ESQ. Law Offices of William W. Milks ASB Tower, Suite 977 1001 Bishop Street Honolulu, HI 96813	1 copy Hand Deliver
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Attorney for WEST MOLOKAI ASSOCIATION

ANDREW V. BEAMAN, ESQ. Chun Kerr Dodd Beaman & Wong, LLLP Topa Financial Center, Fort Street Tower 745 Fort Street, 9 <sup>th</sup> Floor Honolulu, HI 96813	1 copy Hand Deliver
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Attorney for MOLOKAI PROPERTIES LIMITED

DATED: Honolulu, Hawai'i, December 21, 2009.

  
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MICHAEL H. LAU, ESQ.  
YVONNE Y. IZU, ESQ.

Moriwara Lau & Fong LLP  
Attorneys for MOLOKAI PUBLIC UTILITIES, INC.